

## EXHIBIT F

### ANTICIPATED COMPONENTS OF CAPITAL COSTS AND SCHEDULE

**Combined Application of South Carolina Electric & Gas Company for a  
Certificate of Environmental Compatibility and Public Convenience and  
Necessity and for a Base Load Review Order  
Public Service Commission Docket No. 2008-196-E**

#### 1. INTRODUCTION

**Chart A** to this **Exhibit F** provides a summary of the anticipated components of capital cost and the forecasted schedule for incurring them as used by SCE&G in projecting the cash flows, construction work in progress balances, and other financial matters related to the construction of two Westinghouse AP1000 units as V. C. Summer Nuclear Station Units 2 & 3. These projections reflect the applicable inflation adjustments and indices as set forth in **Exhibit I** to this Application and are subject to the risk factors set forth in **Exhibit J** to this Application and to the cost and schedule contingencies requested in the Application. As set forth in the Application, SCE&G will update these projections periodically in its filings with the Office of Regulatory Staff to reflect the actual levels of inflation measured for past periods by the inflation factors and indices reflected in **Exhibit I** to this Application and to reflect any changes related to the contingencies requested in the Application. SCE&G will update the projections of capital costs for remaining future periods based on the same methodology reflected in this **Exhibit F**.

#### 2. THE PUBLIC AND CONFIDENTIAL VERSIONS OF CHART A

**Chart A** to this **Exhibit F** is being filed in both a public and a confidential version. Both versions provide the full anticipated cost of the Units, year-by-year and in total, including all costs anticipated to be paid under the EPC Contract, all owner's costs and all transmission costs. The only difference between the two versions of the exhibits is the amount of detail given for EPC costs and Owner's costs.

Specifically, the confidential version differs from the public version in that it includes twelve rows of data not included on the non-confidential version. Those rows of data:

- A. Show the anticipated annual payments in 2007 dollars under the EPC Contract with Westinghouse/Stone & Webster broken out into the seven "EPC Categories" that are listed on **Exhibit I** to this Application;
- B. Show the estimated annual payments in 2007 dollars for the "Owner's Cost Categories: Project Target Estimates," that are listed on **Exhibit I** to this Application;
- C. Sum the unescalated project costs by and adjust the yearly sum by the applicable inflation factors, all consistent with the inflation factors listed on **Exhibit I** to this Application for the cost categories involved;

- D. Set forth the contingency amount applicable to each year's estimated construction costs in 2007 dollars, all consistent with the contingency factors listed on **Exhibit I** to this Application for the cost categories involved; and
- E. Adjusts the yearly contingency amount by the inflation factors applicable to the cost categories with which the contingencies are associated, all consistent with the inflation factors listed on **Exhibit I** to this Application.

The sum of these categories of cost data (EPC costs and Owner's costs) and the associated contingencies and inflation amounts equal the first row of data on the public version of **Chart A** to **Exhibit F**, "Plant Cost: Total Net Cash Flow."

SCE&G would emphasize that the public version of **Chart A** to this **Exhibit F** sets forth the full projected cost of the Facility. The public version of **Chart A** provides the specific year-by-year cost projections on which the Commission is asked to establish as the "approved capital cost estimate including specified contingencies" for the Facility, as required in S.C. Code Ann. §§ 58-33-275(A)(2) of the Code of Laws of South Carolina, 1976.

SCE&G is seeking confidential treatment of the data not included in the public version of **Chart A** to **Exhibit F** (the "Confidential Data"), because if disclosed in un-aggregated form, those data could allow competitors of Westinghouse/Stone & Webster to calculate specific prices being charged by Westinghouse/Stone & Webster under the EPC Contract, both in aggregate and for particular items or categories of items supplied. Westinghouse/Stone & Webster considers this pricing information to be proprietary information in the nature of a trade secret and has taken careful steps to maintain the confidentiality of this information. Westinghouse/Stone & Webster believes that public release of such data could injure Westinghouse/Stone & Webster commercially in its negotiations for the sale of other units.

SCE&G intends to make the Confidential Data available to parties who sign an appropriate confidentiality agreement.

**ANTICIPATED CONSTRUCTION SCHEDULE**

**Combined Application of South Carolina Electric & Gas Company for a  
Certificate of Environmental Compatibility and Public Convenience and  
Necessity and for a Base Load Review Order**

(Thousands of \$)

**V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components**

***Plant Cost Categories***

Fixed with Adjustment  
Firm with Fixed Adjustment A  
Firm with Fixed Adjustment B  
Firm with Indexed Adjustment  
Actual Craft Wages  
Non-Labor Costs  
Time & Materials  
Owners Costs

Total Unescalated Project Costs  
Project Cost Escalation  
Contingency(2007 \$)  
Contingency Escalation

**Total Net Cash Flow**

***Transmission Projects***

**Total Net Cash Flow**

***Total Project Cash Flow***

***Cumulative Project Cash Flow***

**AFUDC(Capitalized Interest)**

***Gross Construction***

***Construction Work in Process***

<u>Total</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Confidential												
5,411,067	21,473	182,826	458,170	637,192	696,561	734,258	752,043	680,621	502,767	376,627	240,217	128,312
638,020	-	-	378	-	-	1,666	15,555	46,282	73,014	4,286	189,523	307,316
6,049,087	21,473	182,826	458,548	637,192	696,561	735,924	767,598	726,903	575,781	380,913	429,740	435,628
	21,473	204,299	662,847	1,300,039	1,996,600	2,732,524	3,500,122	4,227,025	4,802,806	5,183,719	5,613,459	6,049,087
264,289	645	5,204	17,292	24,459	31,461	34,135	34,466	33,650	28,726	13,395	17,577	23,279
6,313,376	22,118	188,030	475,840	661,651	728,022	770,059	802,064	760,553	604,507	394,308	447,317	458,907
	22,118	210,148	685,988	1,347,639	2,075,661	2,845,720	3,647,784	4,408,337	5,012,844	5,407,152	5,854,469	6,313,376

**Notes:**

AFUDC rate applied

5.52%

The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates, SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

**Public**